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Effective Date: July 31, 2013
Expiration Date: July 31, 2018**COMPLIANCE IS MANDATORY**[Printable Format \(PDF\)](#)

Request Notification of Change

 (NASA Only)**Subject: Equipment Management****Responsible Office: Logistics Management Division****1. POLICY**

a. Internal controls shall be established over the management of NASA- owned equipment from acquisition throughout its useful life until it is reported as excess and accepted in the Agency's disposal system (DSPL). NASA equipment will be acquired and retained only to support NASA mission requirements or its institutional operations. NASA equipment is further categorized as either controlled or administratively controlled.

b. The Integrated Asset Management (IAM), Property, Plant, and Equipment (PP&E) System, hereafter referred to as the NASA PP&E system, shall be used as the Agency's system of record that is used throughout the Agency to identify and account for NASA-held controlled equipment. It includes equipment in use onsite by contractors regulated by the NASA Federal Acquisition Regulation (FAR) Supplement (NFS) clause 1852.245-71, Installation-Accountable Government Property. The following controlled equipment will be recorded in the NASA PP&E system and managed as described in NASA Procedural Requirements (NPR) 4200.1, NASA Equipment Management Procedural Requirements:

(1) Equipment with an acquisition cost of \$5,000 or more - within this category, equipment with an acquisition cost greater than \$100,000 is properly identified in the PP&E system to support the Chief Financial Officer's record requirements for capital equipment. Software is not considered equipment.

(2) Rolling Stock - any item that, regardless of its acquisition cost, is subject to the assignment of a NASA license plate. An equipment control number (ECN) will be assigned to the equipment and the equipment added to the PP&E system prior to assignment of a NASA license plate.

(3) Sensitive Items - property that, regardless of its acquisition cost, is subject to exceptional physical security, protection, control, and accountability due to national security, export control regulations, or because it is potentially dangerous to the public. Examples of sensitive property include weapons and computers, as well as hazardous and radioactive equipment.

(4) Installation-Accountable Government Property - equipment that is made available to a contractor on a no-charge basis for use on a NASA installation or Center in performance of a contract meeting any of the descriptions above.

(5) Exhibit and Display Items - NASA property that, regardless of acquisition cost, has been identified for stationary display, or rotational display as part of the NASA Exhibits Loan Program.

(6) Loaned or Leased Equipment to NASA - equipment provided by an external entity and in possession and custody of NASA for more than 60 calendar days, except motor vehicles.

(7) Constructed, manufactured, or fabricated equipment that, when complete, meets any of the descriptions above.

(8) Domestic gifts to NASA when meeting any of the descriptions above.

(9) Foreign gift items to NASA or to NASA employees exceeding the retail value at the time of acceptance or "Consumer Price Index Minimal Value," currently \$350, prescribed by the Administrator, U.S. General Services Administration (GSA).

(10) Specialized shipping containers or other items that, regardless of acquisition cost, are determined to be controlled by the Center Supply and Equipment Management Officer (SEMO).

c. All NASA Centers shall assign to NASA controlled equipment a property identification number or equipment control number to uniquely identify the property item in the PP&E system, which will be used to support property accountability and the performance of physical inventories.

d. All NASA Centers shall complete a 100 percent physical inventory of all NASA-held equipment each fiscal year and initiate applicable survey reports and found on station (FOS) reports to resolve discrepancies in the PP&E system before the end of the fiscal year (September 30). On this date, center statistics will automatically be generated by NASA systems and used in computing the Centers' and Agency's inventory record accuracy rate. An inventory campaign includes pre- inventory planning activities, the actual inventory, and post inventory reconciliation activities.

(e. The Property Survey Report, NASA Form (NF) 598, shall be used for equipment losses both outside of and during the inventory as the supporting documentation for Equipment Managers to adjust the property records.

(1) For losses outside the inventory, Center personnel will initiate applicable supporting documentation and adjustments to the property records independently from inventory campaign activities.

(2) Center personnel will fully document and report losses discovered during the execution of an inventory with adequate time to allow for timely closure of the inventory campaign.

(3) The NF-598 also is used by the Survey Review Board (SRB) to recommend corrective actions and to assess financial liability when applicable. Centers will process an NF-598, from initiation to adjudication, within 48 business days from initiation date.

(4) The end user initiates the property survey report, NF-598. The end user's supervisor or the person having the most knowledge surrounding the circumstances of the loss initiates the survey report when the end user is not available.

(5) The person initiating the survey report immediately notifies Center security personnel and the corresponding Property Custodian (PC) when theft is suspected.

f. The following requirements apply to all equipment loans:

(1) Loans are processed using NF-893, Loan of NASA Equipment, except as provided in section 1g.

(2) Loan requestors provide a written justification that clearly explains the NASA mission requirement satisfied by the loan.

(3) The NASA organization proposing the loan is responsible for creating and gaining approval for any loan or loan extension documents prior to the movement of property to a loan recipient.

(4) Equipment that is not needed by a NASA custodial organization not be retained solely for the purpose of a loan. Equipment that is no longer required by the organization will be reutilized within the Agency under prescribed policies or reported to GSA for disposition.

(5) The period of the loan request must be clearly defined and not exceed four years. A loan extension can be granted for a period not exceeding one year. A loan can be extended no more than two times. Each loan extension will be approved by the next higher level of management within the organization.

(6) Equipment loans in support of Space Act Agreements may exceed the four-year limit; however, these must be of a finite period of time.

(7) To the extent any particular loan requires modifications to the NF-893 form as determined by the SEMO, the SEMO will permit the Center Chief Counsel or Office of General Counsel, as applicable, the opportunity to review and concur on such modifications before such loan modifications are permitted.

(8) The organization receiving the equipment is responsible to bear all costs associated with the disassembly, assembly, shipping, and handling of the equipment to the recipient's location and to bear all cost associated with the return of the equipment to the original location at which the equipment was held by NASA or to such other location as agreed between the parties. Because formal equipment accountability and inventory validation is required annually regardless of property location, the NASA organization proposing the loan retains official accountability and will ensure receipt of annual inventory reports from the loan recipient.

(9) NASA reserves the right to recall, for its own use or the use of another, the equipment provided on a loan agreement or to withdraw the recipient's authority to use the property at NASA's sole discretion.

g. Loans to individuals and organizations within NASA:

(1) Equipment Loans to Individuals.

(a) NASA equipment may be loaned to NASA civil service employees on NF-892, Employee Property Pass Agreement and Removal Permit, for a period not to exceed 180 calendar days for use under telework agreements, during official travel, or when it is determined to be necessary and essential to maintain the productivity and continuity of NASA's mission.

(b) NASA equipment may be loaned to onsite contractor employees on NF-892, Employee Property Pass Agreement and Removal Permit, for up to 30 calendar days to conduct offsite work with the approval of the respective Contracting Officer.

(2) Loans Between NASA Centers.

(a) The nature of NASA operations and cost-savings initiatives occasionally makes it desirable to loan equipment, including program equipment, from one NASA Center to another for an explicit period of time.

(b) Loan requests for inter-Center loans will be originated by the head of the organization in need of the property and routed through the Center SEMO for oversight and the proper adjustment of the PP&E records.

h. The loan of NASA equipment to individuals and entities outside the Agency is appropriate for NASA organizations provided that the loan is in the best interest of the Government.

(1) Equipment loans to individuals and organizations outside NASA shall be processed using NF-893, Loan of NASA Equipment.

(2) NASA officials will exercise care in the execution of loan agreements and other instruments to ensure that equipment is being used in support of official NASA activities.

(3) Loans to individuals or organizations outside NASA are initiated upon receipt of a letter of intent from the interested organization.

(4) Loan documents will clearly define and describe the public benefit to be gained from the loan and limit the use of the equipment to that purpose. The equipment can be used only for the original intent of the loan agreement. Any deviation of the original intent is grounds for termination of the loan agreement.

(5) NASA personnel will not authorize use of the equipment for other than the original intent of the loan agreement without reinitiating the formal loan process for review and approval.

(6) NASA equipment may be loaned to other Federal agencies provided the loan is in the public interest.

(7) Loans to private individuals and for-profit organizations will be approved by an official designated in writing by the Center Director. Approving officials are certifying that the equipment will be used to satisfy a NASA mission requirement and will not be used by the individual or entity on a Government contract.

(8) Equipment loaned to private entities or individuals will be unique to NASA. Commercially available equipment may not be loaned to private entities or individuals unless the equipment is needed in an emergency to either protect public safety or health or to preserve other public property.

(9) NASA equipment may be loaned to nonprofit institutions and educational institutions for research purposes.

(10) NASA equipment may be loaned to for-profit institutions, educational institutions, and other public institutions for use in public work.

i. Equipment may be loaned to foreign governments and organizations as part of a NASA international agreement or for display as part of the NASA Exhibits Loan Program to promote public interest and education.

j. Responsibility for Government property is the obligation of each employee using the property, whether or not the property has been specifically issued, assigned, or loaned to the employee. An employee may be held financially liable for the loss, damage, or destruction of Government property when the loss, damage, or destruction is due to the employee's negligence, dishonesty, misconduct, or misuse of the property.

2. APPLICABILITY

a. This NPD is applicable to NASA Headquarters, NASA Centers, including Component Facilities, and Technical and Service Support Centers.

b. This language applies to the Jet Propulsion Laboratory (JPL), a Federally Funded Research and Development Center, other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

c. This NPD is applicable to Government Furnished Equipment, Government-developed systems and hardware, and programmatic/mission-specific facilities.

d. Hardware leased by NASA or loaned to NASA by other Federal agencies and technology development or demonstration programs that does not provide mission, flight, or systems hardware is exempt.

e. In this NPD, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended but not required, "will" denotes expected outcome, and "are" or "is" denotes descriptive material.

f. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

3. AUTHORITY

The National Aeronautics and Space Act, 51 U.S.C. § 20113(a).

4. REFERENCES

- a. NPR 2810.1, Security of Information Technology.
- b. NPR 4200.1, NASA Equipment Management Procedural Requirements.
- c. NF-598, Property Survey Report.
- d. NF-892, Employee Property Pass Agreement and Removal Permit.
- e. NF-893, NASA Equipment Loans.
- f. NF-1618, Found on Station (FOS) Equipment Investigation.

5. RESPONSIBILITY

a. NASA Headquarters

(1) The Assistant Administrator, Office of Strategic Infrastructure, with support from the Logistics Management Division (LMD), is responsible for establishing equipment management policies and guidance and for assessing the effectiveness of implementation.

(2) All loans of NASA equipment in support of Space Act Agreements, Commercial Space Launch Agreements, Cooperative Research and Development Agreements, or other similar alternative procurement methods, shall be reviewed at Headquarters by the LMD prior to execution.

(3) Export Control Administrators shall review loan agreements to foreign governments and organizations for compliance with all export regulations including restrictions under the International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR).

(4) NASA HQ Office of International and Interagency Relations shall concur with foreign loans in accordance with applicable international laws.

b. Center Directors are accountable for NASA equipment management at their respective Centers. They also are responsible for ensuring compliance with the equipment management policy set forth herein and directing management officials at all levels to safeguard and to support the stewardship and safe use of equipment to prevent personal injury. Center Directors shall designate a Survey Officer and an SRB in writing. The SRB consists of at least four senior managers, one of whom shall be designated as the SRB Chairperson.

c. The Center Chief Counsel shall review and concur with loans or loan extensions.

d. The Division Chief, Division Director, or equivalent organization head shall:

(1) Review the loan request and approve the release of the equipment in their custody using NF-893 certifying that the loan does not adversely impact the organization's operations.

(2) Obtain written export authority prior to the execution of international loans.

(3) Review and take actions to ensure the execution of the SRB recommendations provided on an NF-598. They have the option to reject the recommendations and appeal the decision of the board, providing an alternate recommendation for board consideration.

e. The Survey Officer shall:

(1) Call for the SRB to convene and review the circumstances surrounding the loss, damage, or destruction of Government property so as to complete the board proceedings within 20 business days from receipt of an NF-598.

- (a) The SRB may convene with at least three members.
- (b) A board member shall not vote when the member is subject to a potential conflict of interest for the property listed on the NF-598 under review, for example, a report submitted by a superior or subordinate or if they have had personal responsibility of the items at the time of loss, damage, or destruction of the property.
- (c) Equipment Managers and Property Custodians shall not serve on a Survey Review Board. However, SEMOs are board members in an advisory capacity. The SRB determines whether the information warrants the relief of responsibility or there is evidence of negligence or willful misconduct for the loss, damage, or destruction of Government property. The SRB also determines the root causes for the circumstances adversely affecting personal property and provides recommendations to organization heads for the implementation of corrective actions to prevent recurrences as necessary.
- (2) Review the NF-598 within 10 business days from receipt and determine from the information provided whether the circumstances surrounding the loss of Government property warrants further review by the SRB.
- (3) Suspend any further SRB action if advised by Center security of a potential criminal investigation, and report the incident to the Office of the Inspector General if surveyed equipment is in custody of entities not located on federal facilities. The Survey Officer shall suspend any SRB action until notified by Center security that the SRB may continue the proceeding.
- f. Discrepancies in the equipment database are indicative of faulty equipment control/accountability and should be analyzed annually by the Center SEMO to determine trends, conduct a root cause analyses, and address areas for process improvement. Such discrepancies consist of either equipment losses or equipment overages. As the principal official responsible for oversight of property records and transactions, the SEMOs shall:
 - (1) Establish internal timelines for the timely initiation, processing, and adjudication actions for losses noted during the inventory to meet policy timeline requirements.
 - (2) Upon receipt, review NF-598s to ensure that sufficient information exists to provide clear understanding of the circumstances surrounding the loss, damage, or destruction of Government property. The SEMO or designee adjusts the property records and forwards the NF-598 to the Survey Officer within 10 business days from receipt.
 - (3) Provide technical oversight and concur with the purpose and terms associated with loan agreements from their centers.
 - (4) Not be designated as the loan approving official.
 - (5) Establish local procedures to manage Administratively Controlled Equipment - to ensure property accountability and prevent fraud, waste, and misuse.
 - (6) Coordinate the movement of the equipment and ensure that equipment records reflect each item's loan status.
- g. The Property Custodian shall review NF-598s for completeness, inform the Division Director, obtain appropriate signatures, and forward the NF-598 to the SEMO within five business days from receipt.
- h. The end user or responsible person shall:
 - (1) Initiate and submit the NF-598 to the property custodian for processing within three business days of discovery of the loss.
 - (2) Prepare and submit NF-1618, Found on Station (FOS) Equipment Investigation, to the Center Equipment Manager immediately upon discovery of an equipment overage or upon receipt of an overage report deriving from the physical inventory process. The supervisor or the person having the most knowledge surrounding the discovery of the overage will prepare the NF-1618 when the end user is not available.
- i. The Equipment Manager shall:
 - (1) Establish accountability and control of all items found that meet the control criteria in the PP&E system within three business days from receipt of an NF-1618.
 - (2) Reactivate in the PP&E System recovered items reported as lost during prior inventories or that were removed from the records due to the initiation of survey reports.
- j. Individuals discovering that equipment has been lost shall:
 - (1) Research and immediately report to the corresponding PC losses discovered outside of the inventory campaign, which include instances of physical loss, possible thefts, damage, or destruction.
 - (2) Report Information Technology (IT) losses to the corresponding PC and to the NASA Security Operations Center (SOC) in accordance with NPR 2810.1, Security of Information Technology.

6. DELEGATION OF AUTHORITY

None.

7. MEASUREMENTS

- a. Equipment Loss Rate. The result of computation executed on September 30, at the end of each fiscal year derived from the total of the equipment items lost or stolen divided by the total accountable equipment density expressed as a percentage. Source: Logistics Management, bReady Enterprise Portal.
- b. Annual Loss Trend Analysis from the Center SEMO to Headquarters, LMD, by the end of the first quarter of the following fiscal year identifying recurring causes for equipment losses, both reported and accepted by the SRB and the number of recommendations to hold individuals accountable.
- c. Overage Trend Analysis from the Center SEMO to Headquarters, LMD, by the end of the first quarter of the following fiscal year identifying recurring causes of equipment overages.
- d. Equipment Management Analysis Report. Source: Business Warehouse Database.

8. CANCELLATION

NPD 4200.1B, Equipment Management dated May 19, 2008.

/s/ Charlie F. Bolden
Administrator

ATTACHMENT A: (TEXT)

ATTACHMENT A: Definitions

Administratively Controlled Equipment: NASA equipment having an acquisition cost of less than \$5,000 that is managed using local procedures established by the Center SEMO to ensure property accountability and prevent fraud, waste, and misuse. This category excludes sensitive items, and items identified for display in the NASA Exhibits Loan Program, which are required to be tracked in the PP&E system.

Equipment: A tangible asset or end item; it is nonexpendable property that is functionally complete for its intended purpose; it is not intended for sale; it does not lose its identity or become a component part of another item when put into use; it is not intended to be destroyed during an experiment; and it has a useful life of two years or more.

Sensitive Item: Equipment that, due to its pilferable nature or the possibility of its being a hazard, requires a stringent degree of control. Sensitive items are listed in Appendix C, Agency (NASA) Minimum Standard, Sensitive Items List of NPR 4200.1, NASA Equipment Management Procedural Requirements.

ATTACHMENT B: Acronyms

DSPL NASA's disposal system

EAR Export Administration Regulations

ECN equipment control number

FAR Federal Acquisition Regulation

FOS found on station

GSA General Services Administration

IAM Integrated Asset Management

IT information technology

ITAR International Traffic In Arms Regulations

JPL Jet Propulsion Laboratory

NF NASA Form

NFS NASA FAR Supplement

NPD NASA Policy Directive

NPR NASA Procedural Requirements

PC property custodian

PP&E Property, Plant, and Equipment

SEMO Supply and Equipment Management Officer

SRB Survey Review Board

ATTACHMENT C: References

- a. The Federal Property and Administrative Services Act of 1949, as amended, 40 United States Code (U.S.C.), pt. 101 et seq.
- b. Federal Management Regulation, 41 CFR Chapters 101- 102.
- c. Government Property, 48 CFR Part 45, the Federal Acquisition Regulation (FAR) pt. 45.
- d. Government Property, 48 CFR Part 1845, the NASA FAR Supplement pt. 1845.
- e. NPD 1030.1, Gifts or Decorations From Foreign Governments and Gifts to Foreign Individuals.
- f. NPD 1050.1, Authority to Enter into Space Act Agreements.
- g. NPD 1387.1, NASA Exhibits Program.
- h. NPD 1440.6, NASA Records Management.
- i. NPR 1441.1, NASA Records Retention Schedules.
- j. NPD 2190.1, NASA Export Control Program.
- k. NPR 4300.1, NASA Personal Property Disposal Procedural Requirements.
- l. NPR 4310.1, Identification and Disposition of NASA Artifacts.
- m. NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.

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